

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF SOUTHERN INDIANA GAS AND ELECTRIC COMPANY d/b/a VECTREN ENERGY DELIVERY OF INDIANA, INC. ("VECTREN SOUTH -FILED ELECTRIC") FOR (1) AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC UTILITY NOV 1 6 2006 SERVICE; (2) APPROVAL OF NEW SCHEDULES OF RATES AND CHARGES APPLICABLE THERETO; (3) INDIANA UTILITY **RATES** INCLUSION IN ITS BASE OF COSTS REGULATORY COMMISSION ASSOCIATED WITH **CERTAIN PREVIOUSLY QUALIFIED** POLLUTION APPROVED CONTROL **PROPERTY** PROJECTS; **(4) AUTHORITY** IMPLEMENT A RATE ADJUSTMENT MECHANISM TO TRACK INCREMENTAL CHANGES IN CERTAIN **REVENUES** COSTS AND RELATING TO GENERATING FACILITIES; (5) AUTHORITY IMPLEMENT A RATE ADJUSTMENT MECHANISM TO **CAUSE NO. 43111** TRACK INCREMENTAL CHANGES IN NON-FUEL RELATED MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC. ("MISO") CHARGES AND **PETITIONER'S TRANSMISSION** REVENUE REQUIREMENT; (6) APPROVAL AS AN ALTERNATIVE REGULATORY PLAN PURSUANT TO IND. CODE § 8-1-2.5-6 OF A RETURN ON EQUITY TEST TO BE USED IN LIEU OF THE STATUTORY NET OPERATING INCOME **FUEL ADJUSTMENT** TEST IN ITS **CHARGE APPROVAL** PROCEEDINGS; **(7) OF** REVISED **DEPRECIATION ACCRUAL RATES; (8) APPROVAL OF** THE CLASSIFICATION OF PETITIONER'S FACILITIES **TRANSMISSION** DISTRIBUTION AS OR ACCORDANCE WITH THE **FEDERAL ENERGY COMMISSION'S** REGULATORY **SEVEN FACTOR** TEST; AND (9) APPROVAL OF VARIOUS CHANGES TO ITS TARIFF FOR ELECTRIC SERVICE INCLUDING **NEW ECONOMIC** INTERRUPTIBLE AND **DEVELOPMENT RIDERS.**

PETITIONER'S FIRST MONTHLY INVESTMENT UPDATE

Pursuant to 170 IAC 1-5-5(4)(D) of the Commission's Rules on Minimum Standard Filing Requirements, Petitioner Southern Indiana Gas and Electric Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc. submits herewith its first monthly investment update regarding

the Culley Unit 3, fabric filter, a major project for which a rate base adjustment has been made in Petitioner's case-in-chief.

Respectfully submitted,

Robert E. Heidorn, Atty. No. 14264-49

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Petitioner's First Monthly Investment
Update was served by depositing a copy thereof in the United States mail, first class postage
prepaid, addressed to:

OFFICE OF THE UTILITY CONSUMER COUNSELOR 100 North Senate Avenue Room N501 Indiana Government Center North Indianapolis, Indiana 46204

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this 16th day of November, 2006.

Daniel W McGill

INDS01 DWM 899537 1.DOC

INVESTMENT REPORT CULLEY UNIT 3 FABRIC FILTER

This project is in the final stage of installation. The unit was shutdown on September 1, 2006 to perform the removal of the existing precipitator and installation of the Fabric Filter. This project is expected to be in service on January 1, 2007. All of the major components have been set in place using modular construction techniques. The remaining work consists of significant amounts of welding to secure and seal the enclosures, complete the insulation of the boxes and final tie in of all the electrical controls.

As of September 30, 2006, Vectren South has incurred capital costs (including AFUDC and capitalized overheads) of \$30,159,386. A detailed itemization of the costs is shown in Attachment No. 1.

	ECR Spend	64,036,46 384,503,91 328,518,05 1,221,19 778,279,51	438.08 12.080.37 81,080.00 47,000.00	24,459,171,90 1,307,17 10,000,00 11,167,86	329,270,64 100,00 28,049,88	2,000,00 532,93 5,920,40	89,022,82 52,914,75 150,00	8,650.00 3,163.20 29,704,94	10,618,47 25,97 24,779,94	2,016,465.41	3,700.00	2,179.56	37,000,00	2,781.00	3,896.00 175.64 26,630.84	3,892.00	27,619,865.01	11,737.59	1,110,632.00	13,000,90	382.00	34.64	33.92	6,694,69	5,332,68	2,623.56	40,413.69 58,925.93 620.22	14,344.58
	9/30/2006 Project to Dato Total Spend	365,224,15 311,912,86 11,912,86 1,445,07 678,182,08	438.08 2.275.37 61,060.00 47,000.00 12,923.00	19,673,092,47 0,00 10,000,00 11,167,86	329,270,64 100,00 28,049,88	2,000.00 0.00 5,720.40	10,417,22 52,914,75 0,00 1,759,59	8,650.00 3,163.20 29,704.94	10,618,47	1,941,658.45	3,700,00	2,179.56	37,000.00	2,781,00	3,896.00	2,578.46 196.00 2,406.95	22,579,580,30	4,227.44	352,837.00	13,000,90	15,273.41	589.42	33.92	5,169.33	4,748.82	2,342.04	33,888.63 49,113.80 482,16	19,645,55
	12/31/2006 Project to Dato Total Spend	64,036.46 19,279.76 16,605.19 176,12 100,097.53	00'0 00'0 00'0 00'0	4,786,079,43 1,307.17 0,00	00.0	532,93	78,505,50 0.00 150,00	00.0	25,97	74,806.96	0.00	0.00	21.22	000	175.64	3,696.00	5,040,284.71	7,510,15	757,795.00	4,413.84	382.00	1,646.90	20,011,00	1,525,36	583.86	281.52	6,525.06 9,812.13 138.06	3,679,57
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Vectren Power Supply Summary for Multipolitrant Project 06423009010 Fabric Filler	CUTOTIC VOIR ESPARAITINS TITUOUS SCIPRITION TOTAL TOTAL TOTAL TOTAL SEL JODG SEL JODG SERVING CWIP	0,00 365,224,15 311,912.86 1,045,07 678,182,08	438.08 2,275.37 81,060.00 47,000.00 12,923.00					8,850,00 3,163,20 29,704,94				2,179,56 18,567,03		111				4,227,44							4,748.82	2,342,04	33,886.63 49,113.80 482.16	19,645,55
Voctren Summary for 05423009	ndfithes through Se Removal 382.0000	00.0 00.0 00.0 00.0	00.00	0.00	100.00	0.00	00.0	0.00 0.00 5,726.96	00.0	0.00	0.00	00.0	0,00	00'0	0.00	00.0	16,083.12	00.0	0.00	0.00	0.00	000	0.00	0.00	0.00	00.0	00.0 00.0	0.00
	Construction Construction 381.000 CWIP	0.00 355,224,15 311,912,86 1,045,07 678,182,08	438.08 2,275.37 81,660.00 47,000.00 12,923.00	19,673,092,47 0,00 10,000,00 11,167,86	329,270,64 0.00 28,049,88	2,000,00	10,417,22 52,914,75 0.00 1,259,59	3,163,20	10,518,47	1,941,658.45	3,700,00	2,179,56 18,567,03 148,086,20	37,000,00	2,781.00	3,896.00	2,578,46 196,00 2,406,95	22,563,497,18	4,227,44	352,837.00	13,000,90	15,273,41	589.42	33.92	5,169,33	4,748,82	2,342.04	33,888.63 49,113.80 482,16	19,645,55
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2 9'111'₹	6.33	61.177,4	Z2.777,A	00.0	28.777,A	66.33	00.0	66,33	61,177,4	00.0	61.177,4	Vehicle Class 2
00.0	00.0	00.0	00.0	00.0	00.0	00.0	00'0	00.0	00.0	00.0	00.0	Vehicle Class 1
1,654.04	1,036.68	92,718	1,0,429,1	00.0	1,654.04	1,035.68	00.0	1,036.68	95,718	00.0	36.713	Office Supplies
58,086,52	00.0	28.089,53	58.089,£2	00'0	28,089,53	00.0	00.0	00.0	\$9,089,58	00'0	S8.089,£2	Project Transfer
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87,000,4	87,000,4	00,0	87.000,4	00.0	87,000,4	87,000,4	00.0	87.000,4	00.0	00.0	00.0	Miscellaneous
00.0	00.0	00.0	00.0	00.0	00.0	00.0	00.0	00.0	00.0	00.0	00.0	Meals
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277,041.00	90.707,855	¥6.555,8¥	277,041.00	00.0	277,041,00	228,707,06	00'0	90,707,855	\$6.555.8\$	00'0	\$6.555,8\$	Regular Labor
84.203,85	31,678,42	90'925'9	38,203,48	00.0	38,203,48	31,678.42	00,0	31,878,12	90'929'9	0.0	90.255,8	Pensions
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ECR	Project to Date	Project to Date	[6]0]	Removal	Construction	IstoT	Removal	Construction	latoT	Removal	Construction	
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